

**Sargent & Lundy Agreement 88a-MS1**  
**Engineering Services for the Addition of**  
**Multi-Pollutant Control Equipment (MPCE)**  
**at Gerald Gentleman Station (GGS)**  
Task Authorization 4700001394

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NPPD Board of Directors Meeting  
June 2011

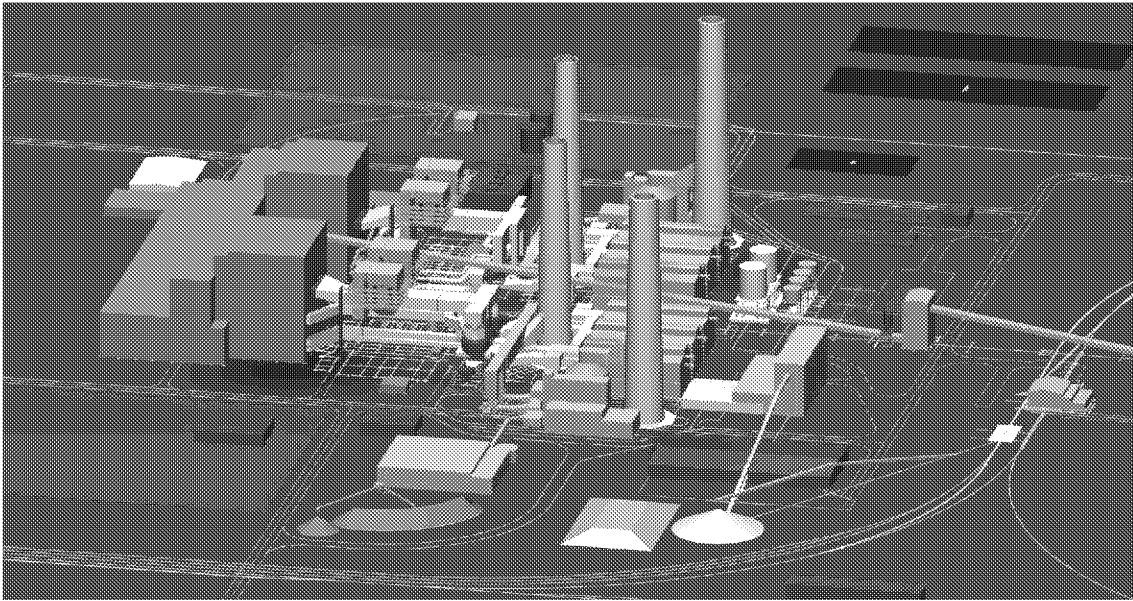
## **Sargent & Lundy Agreement 88A-MS1 Task Authorization 4700001394**

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### **Background**

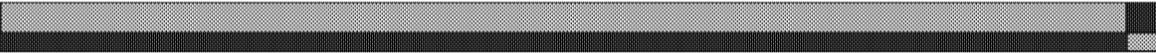
- **Sargent & Lundy (S&L) was previously engaged to provide services for Multi-Pollutant Control Equipment (MPCE) work at GGS (2007-2009)**
  - **Developed optimum MPCE configuration based on technical issues and costs (capital and O&M)**
  - **Developed initial MPCE contracting options**
  - **Developed initial permitting requirements**
  - **Developed initial versions of “contract ready” specifications for major long lead time components**
- **The work was suspended at the end of 2009 since the major objectives of the project had been met and the environmental regulations were not clear**

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MPCE Conceptual Design for GGS

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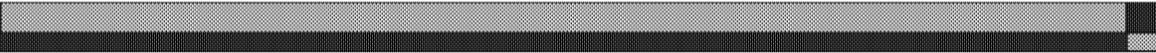


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**Current Situation**

- ☐ **High probability of additional environmental regulations (“Train Wreck Diagram”)**
- ☐ **The anticipated timeline for compliance with any new environmental regulations appears to be very short**
- ☐ **As a result, management has decided that it would be prudent to continue with the previous multi-pollutant control equipment work at GGS**



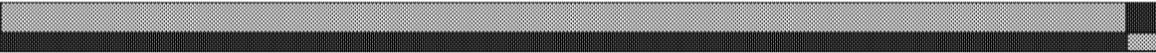
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**Scope of Task Authorization 4700001394**

- ☐ **Complete MPCE-related design / engineering work assuming**
  - **Wet flue gas desulfurization (FGD) equipment for SO<sub>2</sub> / acid gas control**
  - **Activated carbon injection (ACI) for mercury control**
- ☐ **Complete detailed specifications for major MPCE equipment (wet FGD islands, chimneys, large fans, large transformers, ACI equipment, material handling equipment)**

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**Scope of Task Authorization 4700001394 (cont.)**

- ☐ **Develop contract specifications for the balance of required MPCE-related appurtenant equipment (initial site work, bus ducting, buildings, auxiliary transformers, general works, zero liquid discharge system, continuous emissions monitoring system, and distributed control system interface)**
- ☐ **Complete the permitting activities related to the MPCE project**
- ☐ **Provide updated project schedule and cost estimate (capital and O&M) information**

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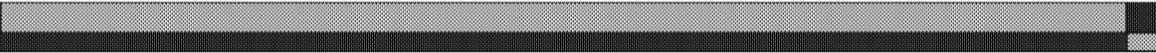


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**Scope of Task Authorization 4700001394 (cont.)**

- ☐ **This work will conclude with the development of ready-to-issue contract documents**
- ☐ **It does not include typical Owner's Engineer construction services, such as:**
  - **Detailed design activities to support construction**
  - **Post-contract award vendor interface activities**
  - **Completion of detailed installation specifications**
  - **Vendor drawing reviews and approvals**

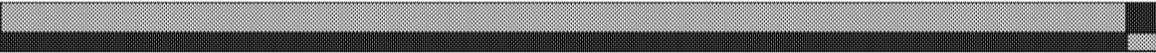


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**Scope of Task Authorization 4700001394 (cont.)**

- ☐ **The estimated amount for the Task Authorization is \$2,400,000**
- ☐ **This Task Authorization includes 20,500 man-hours of work for an average hourly rate of \$117 per man-hour, which is the same as the original S&L task**



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**Vendor Selection**

- ☐ **S&L was selected for the previous work scope based on an evaluation of competitive proposals for the work**
- ☐ **Original award was based on**
  - S&L's extensive experience in the power industry
  - S&L's specific experience at GGS
  - Lowest average hourly rate of any of the respondents of \$117 per man-hour
- ☐ **Recommendation for this task is based on excellent performance and continued low man-hour rate**

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